

FILE COPY



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 608
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

October 27, 2006

Rodney Crim, Executive Director
St. Louis Development Corporation
1015 Locust St., Suite 1200
St. Louis, MO 63101

RE: Fiscal Monitoring Report of Land Reutilization Authority (LRA)
Housing Development Acquisition Pool (Project #2007-CDA4)

Dear Mr. Crim:

Enclosed is a report of our fiscal monitoring review of Land Reutilization Authority (LRA) Housing Development Acquisition Pool (Project #2007-CDA4) for the period January 1, 2003 through December 31, 2004. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of the Expanded Recreation Program. Our fieldwork was substantially completed on September 20, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Charles Schroeder at 589-6089.

Sincerely,

Sedrick D. Blake, CPA
Internal Audit Executive

Enclosure

cc: Honorable Darlene Green, Comptroller
Jill Claybour, Acting Director, CDA
Lorna Alexander, Fiscal Coordinator, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**LAND REUTILIZATION AUTHORITY
HOUSING DEVELOPMENT ACQUISITION POOL
CONTRACTS #03-33-55, #03-HM-33-55 AND #04-90-02**

FISCAL MONITORING REVIEW

JANUARY 1, 2003 THROUGH DECEMBER 31, 2004

PROJECT #2007-CDA4

DATE ISSUED: OCTOBER 27, 2006

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER
HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOUSING DEVELOPMENT – HOME PROGRAM (HOME)
LAND REUTILIZATION AUTHORITY/
HOUSING DEVELOPMENT ACQUISITION POOL
CONTRACT #03-33-55, 03-HM-33-55, & 04-90-02
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2004**

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	2
CONCLUSION AND SUMMARY OF OBSERVATIONS	
Conclusion	3
Status of Prior Observations	3
A-133 Status	3
Summary of Current Observations	3

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOUSING DEVELOPMENT – HOME PROGRAM (HOME)
LAND REUTILIZATION AUTHORITY/
HOUSING DEVELOPMENT ACQUISITION POOL
CONTRACT #03-33-55, 03-HM-33-55, & 04-90-02
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2004**

INTRODUCTION

Background

Contract Name: Land Reutilization Authority (LRA)
Housing Development Acquisition Pool (Project #2007-CDA4)

Contract Numbers: #03-33-55
#03-HM-33-55
#04-90-02

Contract Periods: January 1, 2003 through December 31, 2003 (#03-33-55)
January 1, 2003 through December 31, 2003 (#03-HM-33-55)
January 1, 2004 through December 31, 2004 (#04-90-02)

Contract Amounts: \$650,000 [Increased to \$3,056,165] (#03-33-55)
\$150,000 (#03-HM-33-55)
\$1,600,000 [Increased to 1,652,497] (#04-90-02)

These contracts provided Community Development Block Grant (CDBG) and Housing Development-Home Program (HOME) funds to the Land Reutilization Authority's Housing Development Acquisition Pool.

Purpose

Our purpose was to determine Land Reutilization Authority's compliance with federal, state and local Community Development Block Grant (CDBG) and Housing Development – Home Program (HOME) requirements for the period January 1, 2003 through December 31, 2004 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding the Land Reutilization Authority's internal controls relating to the grants administered by the Community Development Administration (CDA), tested evidence supporting the reports the Agency submitted to CDA and performed other procedures considered necessary. Our fieldwork was substantially completed on September 20, 2006.

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOUSING DEVELOPMENT – HOME PROGRAM (HOME)
LAND REUTILIZATION AUTHORITY/
HOUSING DEVELOPMENT ACQUISITION POOL
CONTRACT #03-33-55, 03-HM-33-55, & 04-90-02
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2004**

CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

We found no evidence to suggest that the Land Reutilization Authority (LRA) did not fully comply with federal, state and local CDA requirements.

Status of Prior Observations

The LRA did not have a previous Fiscal Monitoring Report.

A-133 Status

The St. Louis Development Corp. (SLDC) is the umbrella organization which includes the Land Reutilization Authority (LRA). We reviewed the A-133 Audit for SLDC for year ending June 30, 2005. There were no deficiencies noted or items of concern identified by our office regarding the report. Unqualified opinions were rendered on both the general-purpose financial statements as well as the report issued on compliance for major programs.

There was one finding required to be reported in accordance with OMB Circular A-133. The finding was related to the SLDC's HUD, CDBG, and UDAG activities. Four projects selected for testing did not have proof of completed environmental reviews. SLDC qualified as a low-risk auditee under Section 530 of OBM Circular A-133.

Summary of Current Observations

We noted no observations during our review.